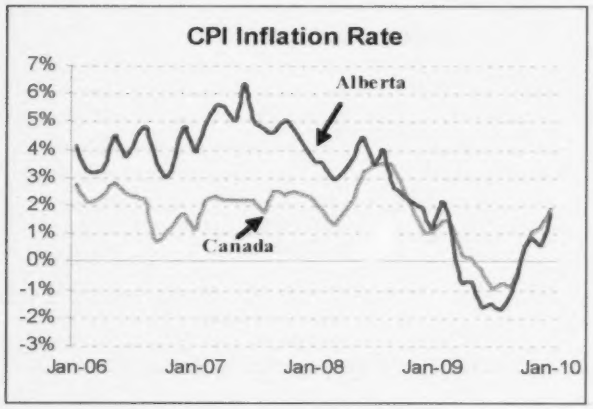
Most economic indicators point to moderate economic growth in Alberta…

Consumer Price Indices

Inflation in Alberta edges up…

In January Alberta's year-over-year CPI rate reached 1.7%, its largest increase in 11 months. This increase was largely due to higher energy prices. If energy prices are factored out, the year-over-year increase in consumer prices was 1.1% in Alberta.

Nationally, CPI was 1.9% higher than January 2009 with every province experiencing higher consumer prices than a year ago. As in Alberta, higher energy prices drove the increase in CPI across the country.



US Inflation remains tepid …

In January year-over-year consumer price inflation in the US remained subdued, increasing by 2.6%. As in Canada, the increase was largely due to higher gas and energy prices. Core inflation, which excludes the most volatile categories declined by 0.1% from December. This was the first monthly decrease in core inflation since 1982 and indicates that significant slack continues to exist in the US economy.

Existing Home Sales

Level of sales and prices remains stable…

In January sales of existing homes in Alberta declined by 4.3% from December to 4,659 units (seasonally adjusted). Despite the month-over-month decline, sales were 39.9% higher than the January 2009 level. In January the average price paid for an existing home in Alberta reached $344,852 (seasonally adjusted). This was slightly lower (-3.0%) than the December level, but higher (5.6%) than the average price paid in January 2009.

Canadian Dollar (US¢/CS)	
February 19, 2010	95.97
February 12, 2010	94.96
2009-10 YTD	91.29
WTI Oil US$/bbl	
February 18, 2010	$ 79.06
February 11, 2010	$ 75.28
2009-10 YTD	$ 69.38
Nymex Natural Gas CS/MMBtu *	
Near-month Contract	
February 19, 2010	$ 5.30
February 12, 2010	$ 5.74

*Estimate based on Nymex Futures Market Price

Retail Sales

Strongest monthly increase in 25 months…

In December retail sales in Alberta registered its strongest month-over-month growth (1.8%) since November 2007. This was the third increase in the last four months and retail sales were 1.4% higher than December 2008, the first year-over-year growth since the beginning of the recession in October 2008.

Manufacturing Shipments

Slight growth recorded in December …

In December, manufacturing shipments in Alberta increased slightly (0.7% seasonally adjusted) from a month earlier. Even with this increase, manufacturing shipments for 2009 were 21.7% lower than for 2008 as the modest second-half growth could not offset the sharp declines in the first half of the year caused by the recession.

Employment Insurance

Alberta sees slight decrease in claims…

In December, the number of Albertans receiving regular EI benefits declined by more than 3,000 people to 70,060. This was the first decline in four months, though the overall level of people receiving benefits was more than double the level of a year earlier. However, the number of beneficiaries represents only 3.3% of Alberta's labour force, lower than the national ratio of 4.0%.

Alberta

CURRENT ECONOMIC INDICATORS

Overall Economy	2008	2009	2010YTD*	Aug	Sep	Oct	Nov	Dec	Jan
Real GDP (in 2002 $billions)	185.8	--	--	--	--	--	--	--	--
% change	0.0	--	--	--	--	--	--	--	--
Nominal GDP ($ billions)	291.3	--	--	--	--	--	--	--	--
% change	14.1	--	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,596	3,688	3,704	--	--	3,704	--	--	--
% change	2.4	2.6	2.3	--	--	2.3	--	--	--
Net Interprovincial Migraton[1] (level)	15,317	23,006	-2,535	--	--	-2,535	--	--	--
Net International Migration[1] (level)	20,039	20,074	7,976	--	--	7,976	--	--	--
Net Non-permanent Residents[1] (level)	18,536	19,058	2,439	--	--	2,439	--	--	--
Labour Market									
Employment (000's)	2,013	1,988	1,961	1,975	1,985	1,975	1,988	1,995	1,988
% change	2.8	-1.3	-1.6	-1.6	-1.9	-3.4	-2.3	-1.0	-1.6
Unemployment Rate (%)	3.6	6.6	6.6	7.3	6.8	7.2	7.1	6.6	6.6
Average Hourly Wage Rate	5.7	4.3	1.1	5.9	3.7	3.9	2.5	1.3	1.1
Average Weekly Earnings[2]	6.0	3.2	--	1.2	0.6	2.0	1.4	--	--
Labour Income[3]	8.7	1.7	--	-1.6	-1.9	--	--	--	--
Price Indices									
Consumer Price Index NEW!	3.1	-0.1	1.7	-1.7	-1.1	0.1	0.8	0.6	1.7
Excluding food and energy	2.1	1.4	1.1	1.3	1.4	1.8	1.0	0.7	1.1
Non-Res. Const. Cost Index[4] (quarterly) NEW!	13.2	-9.8	--	--	-14.8	--	--	-11.2	--
Farm Product Price Index	11.2	-10.6	--	-17.3	-18.8	--	--	--	--
Crops	26.2	-22.9	--	-23.6	-20.2	--	--	--	--
Livestock	2.3	0.4	--	-15.4	-13.2	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	29.2	20.0	23.6	20.7	24.6	29.9	30.2	27.3	23.6
% change	-39.6	-31.6	51.3	-8.0	-0.4	19.6	46.6	52.5	51.3
New Housing Price Index	0.7	-9.0	--	-8.9	-8.9	-7.9	-7.1	-6.3	--
Edmonton	1.0	-11.2	--	-11.4	-11.4	-10.1	-9.8	-9.4	--
Calgary	0.6	-6.7	--	-6.3	-6.4	-5.6	-4.2	-3.1	--
MLS Average Resale Prices NEW!	-1.5	-3.1	6.4	0.0	1.4	2.6	3.4	7.5	6.4
Edmonton	-2.0	-3.5	-0.7	-3.3	0.7	0.4	0.0	2.6	-0.7
Calgary	-2.9	-4.2	5.5	-0.4	1.1	2.9	4.4	8.8	5.5
Retail Sales NEW!	-0.1	-8.4	--	-10.1	-8.8	-6.5	-6.8	1.4	--
New Motor Vehicle Sales	-7.3	-21.5	--	-20.6	-15.6	-13.3	-21.3	3.2	--
Business Sector									
Public and Private Investment[5]	3.6	-17.2	--	--	--	--	--	--	--
Mining and oil and gas[5]	-1.4	-28.2	--	--	--	--	--	--	--
Rigs Drilling	-2.1	-45.6	9.3	-62.7	-54.1	-50.9	-35.6	-3.8	9.3
Goods Exports (customs based)	34.6	-39.2	--	-42.6	-40.3	-39.6	--	--	--
Energy	42.5	-44.1	--	-45.1	-42.3	-41.3	--	--	--
Agriculture	32.0	-7.4	--	-9.3	-23.8	-23.8	--	--	--
Total Farm Cash Receipts (quarterly)	17.2	-6.7	--	--	-16.1	--	--	--	--
Manufacturing Shipments NEW!	7.0	-21.7	--	-25.9	-29.3	-24.1	-12.9	-3.9	--
Wholesale Trade NEW!	10.9	-14.3	--	-22.5	-20.3	-24.1	-17.1	-12.2	--
Building Permits	-16.5	-17.1	--	-7.6	-8.0	77.1	8.4	59.5	--
Residential	-31.5	-13.7	--	39.1	40.8	53.6	50.8	59.5	--
Non-residential	3.7	-20.2	--	-46.9	-46.0	101.3	-19.7	59.6	--

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* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins.

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Autumn 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	***0.4%***	0.5%	0.5%	2.2%	0.0%	1.0%	-0.5%	2.0%	4.2%	**0.0%**	0.0%
2009	***-2.3%***	-3.6%	0.9%	0.4%	0.4%	-1.4%	-2.9%	0.5%	-2.6%	**-2.6%**	-2.0%
2010	***3.0%***	-0.5%	1.8%	1.9%	2.0%	2.4%	3.2%	2.5%	3.7%	**3.0%**	4.2%
Population (As of October 1, 2009)											
Population	**33,873,357**	510,272	141,374	940,397	750,457	7,856,881	13,119,251	1,226,196	1,034,974	**3,703,979**	4,479,934
Annual Growth Rate[a]	***1.2%***	0.5%	0.7%	0.3%	0.4%	1.0%	1.0%	1.4%	1.6%	**2.3%**	1.6%
Net Interprovincial Migration											
2009 Census Year (July 1, 2008 to June 30, 2009)		2,332	-559	-1,255	-537	-10,666	-18,738	-1,541	4,108	**23,006**	4,673
2010 Census Year (July 1, 2009 to June 30, 2010)		863	-283	320	38	-120	-1,748	-712	823	**-2,535**	3,457
Employment											
Level Change (000s)[b]	**-6.0**	3.9	3.4	-6.6	-4.3	18.8	-8.3	6.3	-1.6	**-32.9**	15.1
Percent Change[b]	***0.0%***	2.0%	5.4%	-1.5%	-1.2%	0.5%	-0.1%	1.1%	-0.3%	**-1.6%**	0.7%
Unemployment Rate, 2010 avg (SA)	***8.3***	14.9	9.9	9.8	9.3	8.0	9.2	5.4	4.7	**6.6**	8.1
Participation Rate, 2010 avg (SA)	***67.1***	59.6	68.4	64.0	64.5	64.8	67.2	69.7	69.5	**73.4**	66.3
Average Weekly Earnings											
November 2009	**830.46**	823.79	692.89	733.10	751.11	764.37	856.57	783.65	816.31	**967.00**	798.86
Y/Y Percent Increase[c]	***1.5%***	4.7%	3.6%	1.8%	2.0%	2.1%	1.5%	3.6%	2.0%	**1.4%**	0.3%
2009 Wage Settlements (Jan-Dec)										**1.8%**	
CPI Inflation											
January Annual NEW!	**1.9%**	3.2%	4.0%	3.1%	3.9%	2.2%	1.9%	1.7%	1.6%	**1.7%**	0.7%
Excluding Shelter	**3.0%**	3.9%	5.1%	4.2%	4.7%	2.9%	3.2%	2.7%	2.8%	**2.9%**	2.0%
Housing Starts (000s)											
SAAR January 2010	**186.3**	3.6	0.7	2.7	5.8	55.4	55.6	5.1	6.3	**23.6**	27.5
Retail Sales											
Percent Change[d] NEW!	**6.6%**	6.8%	5.6%	8.6%	7.9%	7.1%	7.6%	6.2%	4.0%	**1.4%**	8.3%
2009 YTD Retail Sales Growth	**-3.0%**	2.6%	-0.3%	0.4%	-0.1%	-0.9%	-2.5%	-0.9%	-2.3%	**-8.4%**	-5.1%
Manufacturing Shipments											
Percent Change[d] NEW!	**0.3%**	13.2%	7.1%	4.5%	36.8%	-0.7%	1.7%	-8.6%	-0.1%	**-3.9%**	-9.0%

a. Over the past 12 months
b. January 2010 Y/Y change, unadjusted for seasonal effects
c. Updated to November 2009
d. December 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada

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